

Missouri

ENTERPRISE

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Department of Economic Development

Missouri economic indicators showing strong growth

Missouri Department of Economic Development Director Kelvin L. Simmons reported that a variety of economic indicators are reflecting strong growth trends for the state in a press conference held May 5.

"The economic trends paint a very clear picture about Missouri's economy," said Simmons. "Missouri's economy is fundamentally strong; we have a strong and vibrant business climate; jobs are being created and economic growth is occurring. In fact we have been seeing strong signs of economic momentum in Missouri for more than a year and particularly since July of 2003.

"Those trends are reflected in many of our indicators, including job growth, taxable sales, personal income, new businesses and manufacturing."

Simmons released another in a series of economic conditions reports from the Department of Economic Development's research center, which are provided periodically to assess the overall progress of the state's economy.

Joining Simmons at the press conference was Carol Fischer, director of the Department of Revenue, and Dr. Marty Romitti, director of the Missouri Economic Research and Information Center.

Missouri's job growth during the first quarter of 2004 ranks the state 16th in the nation with the addition of 6,100 jobs. But since July, Missouri has added 29,300 jobs, (seasonally adjusted) ranking the state ninth in the nation and better than all eight states that border Missouri.

"On a percentage basis, our job growth during the first quarter of this year has been at the national

"Missouri's economy is fundamentally strong; we have a strong and vibrant business climate; jobs are being created and economic growth is occurring. In fact we have been seeing strong signs of economic momentum in Missouri for more than a year and particularly since July of 2003"
- Kelvin Simmons



DED Director Kelvin Simmons reports on Missouri's current growth trends.

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46TH ANNUAL

Governor's Business Development & Economic Development Council's SPRING CONFERENCE



May 19-21, 2004 at The Lodge of Four Seasons - Lake of the Ozarks

For more details see page 5.

Missouri Sees Healthy Business Growth in 2003

Missouri experienced strong growth in new business formations during 2003, with 14,930 businesses created in nearly 100 different industries. Every county in the state added businesses and 11 of Missouri's major industry sectors reported more than 500 businesses formed last year. Department of Economic Development Director Kelvin L. Simmons explained that the variety of new businesses formed last year shows Missouri's great economic diversity as well as its strong business climate in communities and regions across the state.

Of the industry sectors, one defined as “other services” reported the most new business formations with 3,443. This sector includes such industries as private household businesses, personal services, and repair and maintenance businesses. Construction, which includes various specialty contractors, was the second largest, with 2,039 new businesses reported. The third largest industry sector with the most new businesses was professional, scientific and technical services with 1,388.

Other industry sectors showing significant growth last year were: retail trade 1,203; wholesale trade 1,134; administrative and support 969; health care and social assistance 777; finance and insurance 628; transportation and warehousing 612; and real estate, rental and leasing 552.

New business formations were spread throughout the state with every county showing multiple new businesses. As might be expected, metropolitan areas had the highest levels of new business formations. St. Louis County reported the most new business formations with 2,493; Jackson County had 1,559; St. Charles County had 709; Greene County 641 and the City of St. Louis 620.

Other counties with significant new businesses included: Clay 399; Boone 384; Jefferson 371; and Jasper 328. Counties adding between 101 and 300 were: Adair, Buchanan, Cass, Platte, Camden, Christian, Taney, Newton, Cole, Phelps, Franklin, Washington, St. Francois, Cape Girardeau and Butler.

Missouri PMI reaches highest level in nearly a decade

Missouri's Purchasing Managers Index reached its highest level in a decade in April, thanks to strong scores in new orders, production and employment. The April PMI score for Missouri was 72.9, a healthy increase from the March score of 67.9 and well above the national average for the month of 62.4. Missouri's highest scores were in new orders (84.8), production (83.1), and employment (64.6).

This marks the 27th consecutive month that the state's score has remained above the expansionary level of 50, offering another indication that Missouri's economy is rebounding and the manufacturing sector is stabilizing.

Overall, the average for the Mid-America Region, which includes Missouri, Oklahoma, Arkansas, Kansas, Nebraska, Iowa, South Dakota, North Dakota and Minnesota, increased to 70.3 in April from 69.7 in March, reaching a new high in the history of the survey.

The Purchasing Managers' Index is part of a monthly Mid-American Business Conditions Survey, conducted by Creighton University in Omaha, NE.

state of employment

Missouri labor market conditions rebounded strongly in March from the effects of February's harsh wintery weather. The seasonally adjusted unemployment rate edged down a tenth of a point to 5.0 percent while, during the same period, Missouri companies added 18,000 jobs to the state's economy.

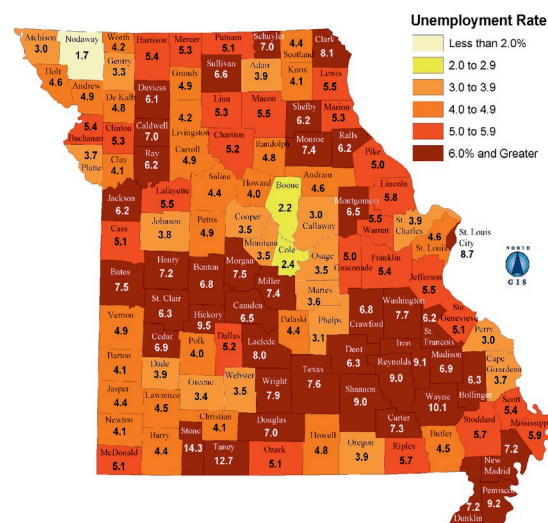
With the exception of the unusually low 4.7 percent rate reported in January, March's seasonally adjusted unemployment rate is at its lowest level since September 2001 (4.8 percent). It also continues to remain well below the national seasonally adjusted rate, which rose a tenth of a point to 5.7 percent in March.

The not-seasonally-adjusted rate was 5.1 percent, down from 5.6 percent in February and 5.8 percent in March 2003 and nearly a whole percentage point lower than the nation's unemployment rate of 6.0 percent.

Non-farm payroll employment increased by 18,000 jobs between February and March. Furthermore, February's employment level was revised upward. As a result, the March employment level of 2,687,300 jobs is 6,200 jobs higher than it was in January and is at the highest level since the end of 2002.

Nodaway and Boone Counties had the lowest unemployment rates at 1.7 percent and 2.1 percent respectively. The highest unemployment rates were recorded in Wayne County (10.1 percent), Taney County (12.7 percent) and Stone County (14.3 percent); however, each of these counties did experience a significant decrease in the unemployment rate between February and March.

Most industry groups reported employment gains in March, on a seasonally adjusted basis. Those that experienced decreases in February generally bounced back in March. Gains included construction 7,800; trade, transportation and utilities 2,900; professional and business services 1,200; leisure and hospitality 1,500; and other services 4,100.



Missourians honored for dedication, service to others

Lt. Gov. Joe Maxwell presented the Lieutenant Governor's Service Awards to 18 distinguished Missouri members of national service programs at an awards ceremony held at the State Capitol on March 17.

Nearly 500 national service participants and directors from across the state gathered in Jefferson City to celebrate Missouri Service Day. This annual event celebrates the dedication and hard work of hundreds of Missouri volunteers who are involved in service organizations, including Learn and Serve America, AmeriCorps, Volunteers in Service to America (VISTA) and Senior Service Corps.

"I am honored to award these Missourians who exemplify the true spirit of citizenship," Maxwell said. "Their leadership and dedication to service is a quality we should all strive to achieve."

Many of these honorees also received recognition from their state legislators for making a positive difference in the lives of others, both in Missouri and across the United States. Besides the awards ceremony, Missouri Service Day participants attended various educational workshops and visited with their legislators.

During the awards ceremony, Lt. Gov. Maxwell delivered the keynote address. Following his speech, the Missouri Community Service Commission presented Maxwell with a token of appreciation for his support of community service across the state and for his participation as chair of the Commission.



2004 Lieutenant Governor's Service Award Recipients

Tegan Teacutter
4-H Community Youth Development VISTA
Columbia
VISTA

Scott Troy
AmeriCorps St. Louis Education Corps
St. Louis
AmeriCorps

Margaret Hoester
AmeriCorps St. Louis Safety Service Corps
St. Louis
AmeriCorps

Cherice Preiner
Bailey Alternative High School
Springfield
Learn & Serve

Evelyn Washington
Bi-County Service Inc.
Higginsville
Senior Corps

Whitney Heins
Concordia Learn & Serve
Concordia
Learn & Serve

Ryan Drane
Daly Elementary
Fayette
Learn & Serve

Tandra Donahue
Fulton AmeriCorps
Fulton
AmeriCorps

Anna Codutti
Habitat for Humanity ReStore
Springfield
VISTA

Kimberly White
Habitat for Humanity ReStore
Springfield
VISTA

Ashley Jill Hopkins
Hamilton R-2 School District
Hamilton
Learn & Serve

Melissa Lynn Coil
Harrisburg Learn & Serve
Harrisburg
Learn & Serve

Jessica Lenoir
Hickman Mills C-1 School District
Kansas City
Learn & Serve

Joe Reece
Kingdom House Sr. Companion Prgm.
St. Louis
Senior Corps

Andrew Pelikan
Kirkwood School District
Kirkwood
Learn & Serve

Becky Stults
Purdy Reading Coaches
Purdy
AmeriCorps

Jim Murphy
Retired & Senior Volunteer Program
Springfield
Senior Corps

Beatrice Ray
St. Louis Foster Grandparent Program
St. Louis
Senior Corps

Missouri Arts Council executive director resigns

Norree Boyd, executive director of the Missouri Arts Council, has resigned effective April 30 to accept a position as executive director of the Metro Nashville Arts Commission in Tennessee. Boyd, who has been with MAC for the past three and a half years, came to Missouri from Palm Beach, Florida and considers her move to Nashville an opportunity to take her career to the next level.

During her tenure with the Missouri Arts Council, Boyd has accomplished a number of objectives, which have resulted in new grant applicants, increased attention to accessibility, and improved service to the field. Her proudest achievement, and primary goal, was the redevelopment of the Arts Education Program.

In addition, Boyd has made improvements to the panel process that determines annual grant awards to applicants, streamlined communications to the field through MAC's publications, heightened the visibility of the arts council to the public and the Missouri General Assembly, maintained quality programs and services despite a reduced budget, and discouraged the use of the Missouri Cultural

Trust for stop gap funding by the legislature.

In her new position, Boyd will oversee the city-supported local arts agency that provides leadership that stimulates and advances the arts to enrich the human experience for the Nashville community.



Holden announces interim director, chair and vice chair of Arts Council

Gov. Bob Holden announced that Mary McElwain of St. Louis would become the interim executive director of the Missouri Arts Council on March 31.

McElwain, who now serves as chair of the arts council board, will be replaced in that role by Betty Wilson of Columbia, the current vice chair. Robert Epsten of Kansas City will be the new vice chair.

McElwain is the founder and president of McElwain Fine Arts. She earned a bachelor's degree in studio art. McElwain is a member of the Association of Professional Art Advisors and the Society of Arts in Healthcare. McElwain is vice president of the board of directors and chairman of the Judging and Juring Committee of the St. Louis Art Fair.

Wilson is a partner at the Law Firm of Oliver, Walker and Wilson. She earned a bachelor's degree from Wellesley College, a master's degree from the University of Michigan and a law degree from the University of Missouri-Columbia. Wilson is on the board of the directors for the Friends of Music Organization and the Central Missouri Habitat for Humanity.

Epsten is chairman and CEO of Major Brands, located in Kansas City. He earned a bachelor's degree from the University of Missouri. Epsten is president of the Missouri Wine and Spirits Association, a board member on The Century Council and president of Seagram Family Association.

Missouri economic indicators continued

average, however, since July, our growth rate has been nearly double the national rate,” said Simmons.

Missouri’s percentage of job growth between July and March was 1.10 percent, compared with the national rate of 0.57 percent.

For the past three years Missouri’s unemployment rate has consistently been well below the national rate, often by a half percent or greater. Missouri’s seasonally adjusted March rate was 5.0 percent, well below the national rate of 5.7 percent and six-tenths below where it was in March of 2003. The state’s unadjusted unemployment rate in March was 5.1 percent, compared with the nation’s rate of 6.0.

Fischer reported that taxable sales rebounded in Missouri during the second half of 2003. “Missouri’s recent taxable sales reports, and what we have seen so far this year, indicate improvement in the consumer economy,” said Fischer.

After nine consecutive quarters of negative growth in taxable sales, there was an increase the last two quarters of 2003. Quarterly taxable sales climbed by 0.55 percent in the third quarter and by 2.07 percent in the fourth quarter. Numbers for the first quarter of 2004 are not yet available.

Missouri’s manufacturing sector, which makes up nearly 12 percent of the state’s employment, has stabilized and has started growing since July, Simmons said. The state’s monthly Purchasing Managers Index, compiled by Creighton University using factors related to manufacturing strength, reached 67.9 in March, the highest it has been in a decade.

New business formations were another strong indicator for Missouri, with 14,930 started during 2003 in nearly 100 different industries.

The conditions report also looked at personal income. During 2003 personal income in Missouri grew at a slightly higher rate on a per capita basis than the rest of the nation. Simmons attributed this rise to good growth during the second half of last year.

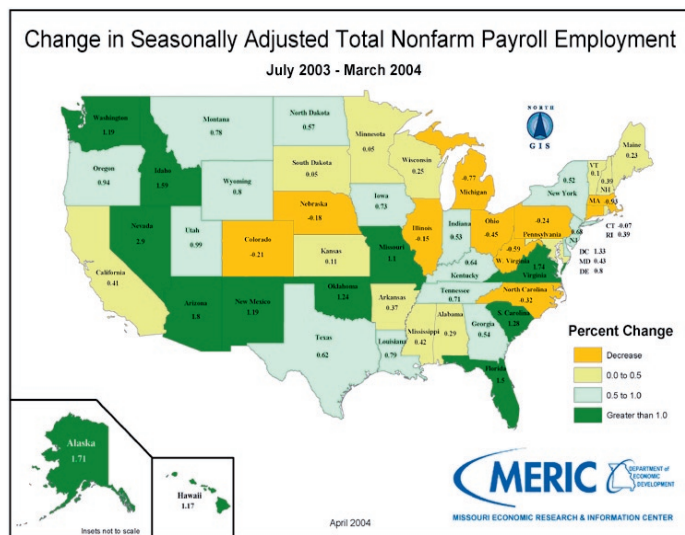
Simmons said Missouri’s improving economic conditions reflect the state’s efforts to transition its economy. Early in his administration, Governor Bob Holden worked with business, education and community leaders around the state to identify industries that will create good paying jobs in the future. Those target industries are the plant and life sciences, advanced manufacturing, and information technology.

In addition, the Governor directed the Department of Economic to seek statewide input and prepare a “Blueprint for Prosperity

and Jobs,” that provides strategies for transitioning the state’s economy.

“I believe the economic momentum we have been seeing for more than a year shows how well our state is doing in its efforts to transition to the new knowledge-based global economy of the 21st century,” said Simmons. “This is not an easy transition to make. Many states have not figured it out yet, but Missouri has.

“Transitioning Missouri’s economy is a long term effort, but we are moving forward in that effort. The good economic trends we are seeing are clear signs of that progress.”



calendar

May 14 92nd General Assembly
2nd General Session Ends

May 19-21 Governor’s Business
Development/MEDC
Conference - Lake Ozark

May 31 Memorial Day (Observed)
State Offices Closed

June 6-9 BIO 2004 Annual
International Convention
San Francisco

July 5 Independence Day
(Observed)
State Offices Closed



DED Director Kelvin Simmons (at podium) and DOR Director Carol Fischer (right front) update members of the media about current economic conditions.

46TH ANNUAL

GOVERNOR'S

**Business Development & Economic Development Council's
SPRING CONFERENCE**

JOBS



SKILLS - EDUCATION - INNOVATION



MEDC
What A Way To Grow

May 19-21, 2004

*The Lodge of Four Seasons
Lake of the Ozarks*

*For room reservations call:
The Lodge of the Four Seasons
at 1-800-THE-LAKE (843-5253)*

Wednesday, May 19, 2004

10:00 a.m. - 5:00 p.m. Registration
10:30 - 11:30 a.m. MEDC Board Meeting
12:00 - 1:30 p.m. MEDC Awards Luncheon
1:45 p.m. *Building Retail in Your Community,
a Developer's Viewpoint*
3:00 - 3:15 p.m. Break
3:15 - 4:15 p.m. *Best Marketing Practices*
4:15 - 5:30 p.m. *Greater Efficiencies Thru Technology*
5:30 p.m. Reception
6:30 p.m. Dinner and Entertainment provided by
ACCOUSTIC ATTITUDE ADJUSTMENT

Thursday, May 20, 2004

7:45 a.m. Breakfast and District Caucuses
8:45 - 10:00 a.m. Annual Business Meeting
10:00 - 10:15 a.m. Break
10:15 - 11:30 a.m. *The Story of the Agurbs*
11:30 a.m. Adjourn MEDC Spring Conference
12:00 p.m. - 2:00 p.m. **Business Development Conference Begins**
 Keynote Luncheon
Futurist - Bob Treadway, CSP
2:15 p.m. - 3:15 p.m. Opening General Session
Planning for the Future: Life Sciences in Missouri
3:15 p.m. - 3:45 p.m. Break
3:45 p.m. - 4:45 p.m. General Session
*Innovation: The Key to Success in the
Knowledge-Based Economy*
4:45 p.m. - 5:45 p.m. General Session
Legislative Update
6:00 p.m. - 9:00 p.m. Evening Reception

Friday, May 21, 2004

7:30 a.m. - 8:30 a.m. Continental Breakfast
9:00 a.m. - 10:00 a.m. Concurrent Sessions
10:00 a.m. - 10:30 a.m. Break
10:30 a.m. - 11:30 a.m. Closing General Session - *Missouri Company Spotlight*
"The Grass Is Not Always Greener"
12:00 p.m. - 2:00 p.m. Closing Awards Luncheon

<http://www.ded.mo.gov/governorsconference/04.html>

NEWS BRIEFS

Louisiana receives state aid to remove blight

The Missouri Department of Economic Development has approved a \$250,000 Innovative Grant through the Community Development Block Grant program for Louisiana, which is located in Pike County. The city applied for the grant on behalf of the Louisiana Historic Preservation Association. The funds will be used to clean and stabilize the vacant Great Central Hotel, which is located in Louisiana's Georgia Street Historic District.

The 200-year-old building is in a serious state of disrepair, with portions of its facade falling to the sidewalk. A leaking roof, flaking lead-based paint, mold and asbestos are also contributors to the building's poor condition. The structure is the largest in Louisiana's historic district.

CDBG funds will pay for asbestos removal, debris cleanup and removal of lead-based paint. A private developer will be responsible for the remaining historic restoration project. Plans call for the structure to someday house art studios, galleries and an art school.

State tax credits will aid Confluence Greenway project

More than \$2.5 million in state tax credits will help raise funds for a major trail system being developed in conjunction with the nation's first bi-state parks and recreation project in the St. Louis region.

The Missouri Department of Economic Development has approved a request from Trailnet, Inc. for up to \$2,575,000 in Transportation Development Tax Credits. Trailnet is a not-for-profit corporation that has been receiving contributions to make improvements to the Confluence Greenway Project. The tax credits will be used to raise funds for the development of bicycle and walking trails around the St. Louis metropolitan area.

The Confluence Greenway is a conservation, heritage and recreation corridor located at the confluence of the Mississippi, Missouri and Illinois Rivers, radiating outward for approximately 200 square miles in the St. Louis area. The project includes enhancements to the Chain of Rocks Bridge, as well as an underground railroad trailhead site and

downtown railhead.

The project is also supported by a bi-state sales tax, which was approved by voters in four counties and the city of St. Louis in November 2000. Those funds are used to protect open space, build trails, create new parks and refurbish older parks in the region.

EBV Explosives Environmental Company expands in Jasper County

A state loan will facilitate the expansion of EBV Explosives Environmental Co. in Jasper County. The company, located near Dyno Nobel in Carthage, intends to expand their operations, creating at least eight new jobs and \$1.5 million in investment.



The Missouri Department of Economic Development has awarded a \$200,000 Action Fund Loan through the Community Development Block Grant program to Jasper County on behalf of EBV. The loan will be used to fund the purchase of certain equipment needed for the expansion.

EBV accepts explosives and reactive hazardous waste for safe destruction. The company's clients include the Department of Defense, government contractors and commercial explosives manufacturers.

The company intends to expand its disassembly procedures by operating a rotary kiln and car bottom furnace simultaneously. New automated equipment is necessary to implement the new procedures. The Action Fund Loan will help pay for the equipment.

State tax credits to fund new life science district

The Missouri Department of Economic Development has announced the approval of small business incubator tax credits for the Center for Emerging Technologies in St. Louis. The life sciences incubator will use funds generated by the tax credits in part to develop the new life science district known as the Center of Research, Technology and Entrepreneurial Expertise (CORTEX).

The Department of Economic Development has approved up to \$100,000 in tax credits.

This amount is in addition to \$172,500 in small business incubator tax credits approved over the past year for the Center for Emerging Technologies.

In addition to the CORTEX development, the Center for Emerging Technologies intends to use the funds for technology transfer and commercialization for its businesses and for marketing purposes.

State to assist development of Joplin business incubator

A new business incubator planned in the city of Joplin will soon be up and running, thanks in part to a recent award by the Department of Economic Development.

The DED approved up to \$100,000 in Small Business Incubator Tax Credits for the Joplin Area Chamber of Commerce Foundation, which is developing the incubator. DED officials approved the formation of the small business incubator in December.

Funds raised through this tax credit program will help renovate an 11,000-square-foot building at 407 Pennsylvania Avenue, which has been used for light manufacturing and office space in the past, into incubator space. The new business incubator will provide much needed space for the development of high-tech companies in southwest Missouri, and it will also contribute to the redevelopment of downtown Joplin.

MISSOURI ENTERPRISE

Missouri Enterprise is the official publication of the Missouri Department of Economic Development. Submit your articles to: Missouri Enterprise, P.O. Box 1157, Jefferson City, MO 65102. For phone inquiries call (573) 751- 4962.

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NEWSBRIEFS

State Finance Commissioner elected to professional post

D. Eric McClure, Missouri Commissioner of Finance, was elected chairman-elect of the Conference of State Bank Supervisors on May 5 during the association's annual meeting and conference in Rancho Mirage, Calif. He will take office at the 104th annual meeting in June 2005.



Governor Holden appointed McClure commissioner of the Division of Finance in January 2003. He previously served the Division as acting commissioner, deputy commissioner and as a district supervisor in Springfield. Prior to that, he worked as a bank examiner in Springfield and St. Louis. McClure also formerly served as vice chairman and treasurer for the Conference of State Bank Supervisors and is past chairman of the Board of Trustees for the Education Foundation for State Bank Supervisors.

The Division of Finance is a regulatory agency within the Missouri Department of Economic Development. It is responsible for the incorporation and regulation of state-chartered banks, trust companies, savings banks and savings and loan associations.

The Conference of State Bank Supervisors is the professional association of state officials responsible for chartering, supervising, and regulating the nation's state-chartered commercial and savings banks and state-licensed foreign banking offices nationwide.

Gregory Containers to locate in City of Kahoka

A state grant will facilitate a new business in Kahoka, which is located in Clark County. Gregory Manufacturing plans to open a sepa-

rate facility there, Gregory Containers, creating 20 new jobs and \$500,000 in investment.

To assist the company location, the Missouri Department of Economic Development has awarded an \$184,500 Industrial Infrastructure Grant through the Community Development Block Grant program to Kahoka, to be used for water lines, sewer lines, electrical distribution and street improvements.

The company is constructing a 19,000-square-foot building in Kahoka's Missouri Industrial Park to manufacture waste containers.

Gregory Manufacturing, located in Fort Madison, Iowa, produces waste containers and material racks. Company officials decided there was a need for more capacity, so they chose to locate the waste container manufacturing at the new Gregory Containers in Kahoka. The facility will serve customers throughout Missouri, Illinois and Iowa, primarily manufacturing front load and rear load dumpsters and roll-off containers.

Bentley to expand, create more jobs in Mexico

The Missouri Department of Economic Development has awarded a \$265,250 Industrial Infrastructure Grant through the Community Development Block Grant program to Mexico. The grant is needed for street improvements that will facilitate a second location for Bentley Industries.

Bentley, a pontoon boat manufacturer, opened a facility in Mexico just last year, employing about 90 workers. That location was the result of an enterprise zone creation, approved by DED.

The newest facility, formerly the vacant Arlee Home Fashions building, will house an additional 75 jobs and create \$3 million in private investment. Luxury pontoon boats will be produced there.

In order to operate efficiently, Bentley requires access at the rear of the building. CDBG funds

will be used to build a concrete street that will allow materials and finished products to be easily transported to and from the site.

Holden announces new ethanol plant, jobs in Saline County

Gov. Bob Holden announced in April the approval of a state grant to the city of Marshall for infrastructure development in connection with expansion of Missouri's ethanol industry.

The \$350,000 Industrial Infrastructure Grant through the Community Development Block Grant Program at the Missouri Department of Economic Development will facilitate extension of a gas line to Mid Missouri Energy, LLC (MME), the state's third ethanol facility, under construction in Malta Bend. MME, which is governed by a farmer-owned cooperative, is investing \$47.3 million and creating 35 new jobs at the facility.

State funds, leveraged with local funds, will offset the costs to increase the size of the natural gas mainline so that Marshall Municipal Utilities can interconnect with a Panhandle Eastern Pipeline, increasing gas volume to the city. In addition to building capacity for the ethanol facility, access to the Panhandle Eastern Pipeline will also ensure that the area has the assets to facilitate other industrial applications in the future.

MME will process nearly 15 million bushels of corn per year, yielding 40 million gallons of ethanol, 128,000 tons of distillers' grains - a high value livestock feed - and 125,000 tons of carbon dioxide. The cooperative has more than 700 members and will buy corn from producers in more than 50 Missouri counties.

